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Turkey

STONE FRUIT ANNUAL

Turkey Stone Fruit Annual 2009

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Report Highlights:

Cherry and peach production were significantly affected by unfavorable weather conditions in MY 2007 and production of both crops decreased significantly. In line with low production levels, cherry exports also decreased to 29,000 MT in MY 2007 from 57,000 MT in MY 2006.

Executive Summary:

Turkey continues to be one of the world's major producers of fresh fruit and vegetables. Stone fruits account for 14 percent of fruit production in Turkey, the third most significant after deciduous and citrus fruits. Most stone fruit is consumed fresh in the domestic market.

Cherry and peach production were significantly affected by unfavorable weather conditions in MY 2007 and production of both crops decreased significantly. In line with low production levels, cherry exports also decreased to 29,000 MT in MY 2007 from 57,000 MT in MY 2006.

Cherry production rebounded in MY 2008. Cherry exports also bounced back, reaching 51,000 MT. Unless unexpected weather conditions occur during the blooming season, cherry production and exports are predicted to increase in MY 2009.

Peach production did not suffer from weather conditions in MY 2007 or MY 2008. However, peach exports increased 27,000 MT in MY 2007 to 43,000 MT. This unusual increase was mostly due to high yields and better prices abroad.

Most Turkish stone fruit producers are still using traditional techniques and varieties, making their product less competitive in the European market. Their reluctance to convert to new varieties are among the major problems the Turkish stone fruit sector is facing, and improved technology and management would improve their position in the market.

Turkish producers are showing an increasing interest in stone fruit production, mainly due to low returns from other crops. Therefore, stone fruit production is predicted to continue to increase in the near future.

Commodities:

Fresh Cherries,(Sweet&Sour)
Fresh Peaches & Nectarines

Production:

Cherries

Sweet cherry production dropped significantly in MY 2007 due to unfavorable weather conditions during the blooming season. This was the lowest production level since MY 1998. As a result total sweet and sour cherry production dropped 21 percent in MY 2007 compared to the previous year.

In MY 2008, however, fruit quality and yields have been good, as weather has been favorable and there were no significant changes in production levels. Production is estimated as 500,000 MT for MY 2008.

According to industry contacts and producers, cherry production in MY 2009 is expected to be about the same as in MY 2008.

Turkey leads the world in total cherry production and is usually a top-three exporter. This is mainly due to encouragement and education of farmers by the major exporting companies. High returns attract producers.

In MY 2008 weather conditions for production of cherries was optimal: the transition from spring to summer was very smooth and producers faced no problems. As a result, the quality of sweet cherries was good and production is estimated at 500,000 MT.

There are more than one hundred varieties of sweet cherries produced in Turkey. The 0900 Ziraat variety (also known as Turkish Napoleon), which was developed by Turkish scientists, is the most popular type produced for export. About 90 percent of sweet cherry exports are Napoleon.

Cherries are grown mainly in the Central Anatolia and Marmara regions. Because of the high export demand, an increasing number of Turkish producers are getting involved in cherry production. This trend is further encouraged by extensive recruitment of growers by cherry exporting companies. A cherry orchard takes at least three years to become productive.

Processed cherries account for 25 percent of total sweet and sour cherry production.
Turkish sour cherries are well known for their high juice quality. According to industry sources, approximately 85 percent of sour cherry production is used in the processing sector to make canned products, marmalades, frozen fruits and fruit juices. The rest is usually sold fresh on the domestic market.

To satisfy growing international demand some producers are shifting to organic cherry production as well. So far, however, this is a very small share of total production; nearly all organically grown cherries are exported. Organic cherry production, mainly in Bursa and Kutahya provinces, is estimated to be approximately one percent of total cherry production.

Overall cherry tree numbers are increasing, but production is increasing even faster as yields per tree have jumped thanks to better management practices, pruning, and fertilizer use taking place on larger commercial orchards. There are an increasing number of big and modern orchards being established in Turkey. These tend to be between 50 and 100 hectares.

In an attempts to increase exports, about one third of producers are registered with the EUREPGAP (European Retailers' Protocol for Good Agricultural Practices) program. Major exporters are encouraging smaller producers to participate; some exporters even fund the cost of certification and auditing. The increasing number of registered producers under the program favors exports to the EU.

Peaches and Nectarines

The production of peaches and nectarines did not change significantly in MY 2007 compared to the previous year. In MY 2007 peach and nectarine production was 540,000 MT. There was a slight decrease in yields, mainly due to heavy rainfall that occurred in some production areas. Peach production increased about two percent in MY 2008, reaching 552,000 MT. Producers forecast that production will be around 550,000 MT in MY 2009 if weather conditions are favorable.

Peaches and nectarines can be cultivated all over Turkey but currently 50 percent of production is in the Marmara Region, especially Bursa province. However, recently peach orchards have expanded to the Aegean and Mediterranean Regions as well.

Peaches are supplied to the domestic market from May to September. Turkey accounts for approximately 3 percent of total world peach production. There is, however, no industry association dealing specifically with peaches or nectarines in Turkey. The Mediterranean Region produces the early varieties, and late varieties usually come from the Marmara and Aegean regions. Although the trend is slowly changing, traditionally the peach orchards in Turkey are relatively small.

Nectarine production is primarily exported.

Consumption:

Cherries

As a result of low export levels in MY 2007, more cherries were consumed domestically. The consumption of fresh cherries domestically also increased as a result of increased health concerns of people living in metropolitan areas. This trend of higher domestic consumption of cherries continued in MY 2008 when consumption was 290,000 MT.

The major export markets for cherries are the EU and Russia. These markets prefer bigger sized cherries. Therefore, Turkish producers that target the export markets use different techniques and varieties in order to meet the requirements of foreign markets.

Approximately 85 percent of all sour cherry production is processed; a very small percentage is exported, and the rest is consumed in the domestic market.

Peaches and Nectarines

In MY 2008, total domestic consumption was 407,000 MT. About 80 percent of peach production is consumed fresh and the rest is processed for juice, jam and dried products. Most fresh peaches and juice are consumed domestically.

Nectarines are not as popular as peaches domestically. Nectarines are rather new to the Turkish market and prices are usually higher than peaches. As a result, domestic nectarine consumption is not very high.

Trade:

Cherries

Cherries are among the top exported fruits grown in Turkey; exports tripled from MY 2001 to MY 2006. Cherry exports were devastated by bad weather in MY 2007, reaching only 29,000 MT. Production and exports recovered in MY 2008 with more favorable weather conditions, increasing 72 percent to 50,000 MT with a recorded value of USD 135 million. Exports are predicted to continue increasing in MY 2009 as well. According to the industry sources, exports are expected to increase slightly in MY 2009 and reach 55,000 MT if weather conditions are favorable during the blossoming season.

Table 3: Export Trade Matrix, Fresh Cherries

Turkey Fresh Cherries, (Sweet&Sour)			
Time Period	**Jan- Dec**	**Units:**	**MT**
Exports for:	**MY 2008**		**MY 2009**
U.S.	0	U.S.	0
Others		Others	
Russia	8875	Germany	15000
Germany	8300	Russia	12000
United Kingdom	2600	Bulgaria	9000
Bulgaria	2100	Italy	3100
Belgium	2000	United Kingdom	3100
Italy	1700	Netherlands	2400
Netherlands	1200	Belgium	1200
Northern Cyprus	340	Iraq	970
Denmark	300	Sweden	653
Sweden	270	Greece	522
Total for Others	27685		47945
Others not Listed	1000		3385
Grand Total	**28685**		**51330**

Traditional markets for Turkish sweet cherry exports are Germany, the United Kingdom and the Netherlands. Exports to Russia continued to increase in MY 2007, despite a small crop, and reached 9,000 MT. In MY 2008 Russia was again among the top export destinations for Turkish cherries. Exports to Russia were 12,000 MT in MY 2008.

Given the high export potential of cherries and problems in other fruit sectors, the number of orchards is expected to increase even further. An increasing number of newly converted cherry orchards will be ready for harvesting by 2010. This is expected to lead to an increase in export levels. Furthermore, participation in the EUREPGAP program by an increasing number of Turkish cherry producers will have a direct impact in export volumes and is expected to continue in the future.

As declared in the Official Gazette, the customs duty for cherry imports is 55 percent.

Peaches and Nectarine

In MY 2008 peach and nectarine exports bounced back from the MY 2006 level of 19,000 MT. Exports more then doubled and reached 43,000 MT in MY 2007. This unusual increase was mainly due to higher yields and reduced competition abroad. During the MY 2008 season the export level went back to the normal, at 21,000 MT.

Saudi Arabia, Ukraine and Russia continued to be the top three export markets for Turkish peaches and nectarines in MY 2008 and MY 2009. In Western Europe only Germany and the Netherlands are among the top export destinations.

Although the total production quantity is the highest among all stone fruits in Turkey, peach and nectarine exports are traditionally only about 6 percent of production. Industry contacts claim that this is mainly due to strong competition overseas and problems with pesticide residue levels. New pesticide policies have been published, however.

As declared in the Official Gazette, the customs duty for peach and nectarine imports is 55 percent.

Stocks:

There are no official stocks of stone fruits.

Policy:

Marketing Policy

The government does not take an active role in the production and export of stone fruits. In 2006, however, the Minister of Agriculture and Rural Affairs (MARA) declared that Turkish exporters could not divert products that were rejected by other countries into the domestic market. This policy apparently came in response to claims that products rejected by other importing countries because of high pesticide residues were returned and sold in the Turkish market.

MARA also implemented a frost damage insurance program. This program, as written, applies the same conditions throughout Turkey. This unfortunately fails to take into account different blooming and bearing periods in the different regions. As a result, fruit producers from Central Anatolia found it unsuitable for the production period in their region.

The major government-related assistance activities are conducted by IGEME, the Export Promotion Center of Turkey, which operates under the Foreign Trade Undersecretariat (FTU). IGEME does not provide specific financial support to stone fruit producers or to stone fruit exporters; rather they conduct general activities such as organizing fairs and trade shows abroad and carrying out training workshops and educational programs.

Table 4: Export Trade Matrix, Fresh Peaches and Nectarines

Turkey Fresh Peaches & Nectarines			
Time Period	Jan- Dec	Units:	MT

Exports for:	MY 2008		MY 2009
U.S.	0	U.S.	0
Others		Others	
Ukraine	14000	Saudi Arabia	4,500
Saudi Arabia	8900	Ukraine	4,200
Russia	8700	Russia	4,000
Bulgaria	4000	Iran	2,400
Germany	1340	Bulgaria	2,000
Romania	1328	Iraq	926
Belarus	1200	Germany	633
Northern Cyprus	796	Romania	332
United Arab Emir.	700	Northern Cyprus	254
Iraq	568	Belarus	89
Total for Others	41532		19334
Others not Listed	1468		1666
Grand Total	**43000**		**21000**

Turkish stone fruit producers, as well as other farmers in Turkey, receive direct income payments. These payment amounts change each year and are made to farmers on a per 0.1 hectare basis. The private sector takes the lead in the marketing of stone fruits. Major exporters encourage small farmers to register under EUREPGAP and sometimes help pay for the associated expenditures. These major exporters also educate producers and help modernize agricultural facilities in rural areas.

Production, Supply and Demand Data Statistics:

Table 1: Fresh Cherries, PS&D

Turkey Fresh Cherries, (Sweet&Sour)										
	2007			2008			2009			
	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			UOM
	USDA Official Data		Old Post Data	USDA Official Data		New Post Data	USDA Official Data		Jan Data	
Area Planted	34000	0	34000	36000		36000			37000	(HA)
Area Harvested	0	0	0	0		0			0	(HA)
Bearing Trees	18000	15500	18000	19000		18500			19500	(1000 TREES)
Non-Bearing Trees	5700	5700	5700	6000		8000			8000	(1000 TREES)
Total Trees	23700	21200	23700	25000		26500			27500	(1000 TREES)
Commercial Production	540000	440000	440000	600000		500000			500000	(MT)
Non-Comm. Production	0	0	0	0		0			0	(MT)
Production	540000	440000	440000	600000		500000			500000	(MT)
Imports	0	0	0	0		0			0	(MT)
Total Supply	540000	440000	440000	600000		500000			500000	(MT)
Fresh Dom. Consumption	333000	270000	371000	390000		300000			445000	(MT)
Exports, Fresh	57000	60000	29000	60000		50000			55000	(MT)
For Processing	150000	110000	150000	150000		150000			0	(MT)
Withdrawal From Market	0	0	0	0		0			0	(MT)
Total Distribution	540000	440000	440000	600000		500000			500000	(MT)

Table 2: Fresh Peaches and Nectarines, PS&D

Turkey Fresh Peaches & Nectarines	2007			2008			2009			
	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			UOM
	USDA Official Data		Old Post Data	USDA Official Data		Old Post Data	USDA Official Data		Jan Data	
Area Planted	26,500	0	26,500	26,500		26,500			26,500	(HA)
Area Harvested	0	0	0	0		0			0	(HA)
Bearing Trees	14,000	14,400	14,400	14,000		14,000			14,000	(1000 TREES)
Non-Bearing Trees	2,400	2,500	2,500	2,400		2,500			2,200	(1000 TREES)
Total Trees	16,400	16,900	16,900	16,400		16,500			16,200	(1000 TREES)
Commercial Production	544,000	560,000	540,000	545,000		552,000			550,000	(MT)
Non-Comm. Production	0	0	0	0		0			0	(MT)
Production	544,000	560,000	540,000	545,000		552,000			550,000	(MT)
Imports	0	20	20	0		0			0	(MT)
Total Supply	544,000	560,020	540,020	545,000		552,000			550,000	(MT)
Fresh Dom. Consumption	410,000	408,020	409,020	405,000		407,000			405,000	(MT)
Exports, Fresh	19,000	40,000	19,000	25,000		25,000			25,000	(MT)
For Processing	115,000	112,000	112,000	115,000		120,000			120,000	(MT)
Withdrawal From Market	0	0	0	0		0			0	(MT)
Total Distribution	544,000	560,020	540,020	545,000		552,000			550,000	(MT)